



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
DAVE GOETZ
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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February Revenues

Nashville – On an accrual basis February is the seventh month in the 2002-2003 fiscal year. Department of Revenue tax collections were \$567.3 million. The collections include new revenue collected under the Tax Reform Act of 2002.

February revenues were \$16.9 million more than the budgeted estimates, Finance and Administration Commissioner Dave Goetz announced today. The general fund had a \$10.1 million overcollection and the four other funds overcollected by \$6.8 million.

Sales tax collections were \$2.5 million more than the estimate. Adjusted for the rate change and the single article cap, the growth in sales tax collections was 1.29% for the month. For August through February, the adjusted growth is 1.55%.

Franchise and excise taxes combined were \$25.3 million for the month. Collections were \$11.3 million more than the budgeted estimate. For seven months revenues are \$12.7 million undercollected.

Gasoline taxes and motor vehicle registrations in February were \$6.7 million more than the budgeted estimate of \$84.6 million.

Year-to-date collections for seven months are \$9.1 million less than the budgeted estimate. The general fund has an undercollection of \$31.2 million and the four other funds are overcollected by \$22.1 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of 2002.

<p align="center">REVENUE COLLECTIONS FEBRUARY, 2003, AND 7 MONTHS YEAR-TO-DATE</p>
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February Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$431,793,000	\$441,893,000	\$10,100,000
Highway Fund	49,364,000	54,520,000	5,156,000
Sinking Fund	18,550,000	18,559,000	9,000
City & County Fund	48,542,000	50,064,000	1,522,000
Earmarked Fund	2,122,000	2,268,000	146,000
Total	\$550,371,000	\$567,304,000	\$16,933,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,798,704,000	\$3,767,502,000	(\$31,202,000)
Highway Fund	330,090,000	345,948,000	15,858,000
Sinking Fund	132,925,000	132,970,000	45,000
City & County Fund	360,350,000	366,816,000	6,466,000
Earmarked Fund	18,449,000	18,158,000	(291,000)
Total	\$4,640,518,000	\$4,631,394,000	(\$9,124,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	February			
	2002	2003	Change	Percent
Franchise & Excise	\$12,835,000	\$25,275,000	\$12,440,000	96.92%
Income	1,741,000	1,114,000	-627,000	-36.01%
Inheritance & Estate	9,112,000	4,363,000	-4,749,000	-52.12%
Gasoline	48,676,000	50,213,000	1,537,000	3.16%
Petroleum Special	4,948,000	5,123,000	175,000	3.54%
Tobacco	6,521,000	9,541,000	3,020,000	46.31%
Beer	1,270,000	1,368,000	98,000	7.72%
Motor Vehicle Registration	20,117,000	20,012,000	-105,000	-0.52%
Motor Vehicle Title	822,000	791,000	-31,000	-3.77%
Mixed Drink	2,723,000	2,860,000	137,000	5.03%
Business	461,000	317,000	-144,000	-31.24%
Privilege	12,848,000	14,798,000	1,950,000	15.18%
Gross Receipts	792,000	174,000	-618,000	-78.03%
TVA - In Lieu of Tax Payments	16,543,000	16,408,000	-135,000	-0.82%
Alcoholic Beverage	1,991,000	2,234,000	243,000	12.20%
Sales and Use	340,002,000	396,632,000	56,630,000	16.66%
Motor Vehicle Fuel	11,772,000	15,964,000	4,192,000	35.61%
Severance	100,000	101,000	1,000	1.00%
Coin-operated Amusement	0	16,000	16,000	-
Total	\$493,274,000	\$567,304,000	\$74,030,000	15.01%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - February			
	2001-2002	2002-2003	Change	Percent
Franchise & Excise	\$410,742,000	\$434,974,000	\$24,232,000	5.90%
Income	15,369,000	8,727,000	-6,642,000	-43.22%
Inheritance & Estate	53,036,000	46,462,000	-6,574,000	-12.40%
Gasoline	337,243,000	358,949,000	21,706,000	6.44%
Petroleum Special	36,873,000	36,040,000	-833,000	-2.26%
Tobacco	48,145,000	64,220,000	16,075,000	33.39%
Beer	9,090,000	10,317,000	1,227,000	13.50%
Motor Vehicle Registration	109,288,000	110,068,000	780,000	0.71%
Motor Vehicle Title	5,971,000	6,125,000	154,000	2.58%
Mixed Drink	20,548,000	21,701,000	1,153,000	5.61%
Business	2,699,000	1,257,000	-1,442,000	-53.43%
Privilege	105,483,000	114,076,000	8,593,000	8.15%
Gross Receipts	15,607,000	10,602,000	-5,005,000	-32.07%
TVA - In Lieu of Tax Payments	117,165,000	116,602,000	-563,000	-0.48%
Alcoholic Beverage	17,825,000	20,088,000	2,263,000	12.70%
Sales and Use	2,722,824,000	3,177,196,000	454,372,000	16.69%
Motor Vehicle Fuel	86,319,000	92,948,000	6,629,000	7.68%
Severance	663,000	618,000	-45,000	-6.79%
Coin-operated Amusement	9,000	424,000	415,000	-
Total	\$4,114,899,000	\$4,631,394,000	\$516,495,000	12.55%

Table 3
August - February Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 4,500,000	\$ 200,000	\$ 4,700,000
Income Tax	(2,900,000)	(1,600,000)	(4,500,000)
Inheritance Tax	(2,500,000)	0	(2,500,000)
Privilege Tax	1,600,000	(200,000)	1,400,000
Gasoline & Motor Vehicle Registration	1,200,000	24,900,000	26,100,000
Other Taxes	(20,400,000)	(1,200,000)	(21,600,000)
Sub-Total	\$ (18,500,000)	\$ 22,100,000	\$ 3,600,000
F & E Taxes	(12,700,000)	0	(12,700,000)
Total	<u>\$ (31,200,000)</u>	<u>\$ 22,100,000</u>	<u>\$ (9,100,000)</u>